

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:5947
ANSWERED ON:31.08.2001
PORTFOLIO INVESTMENTS IN SHARES
PRAVEEN RASHTRAPAL

Will the Minister of FINANCE be pleased to state:

- (a) whether it is mandatory to check portfolio investments in shares of Indian companies;
- (b) if so, whether portfolio investment of shares of companies like DSQ Softwares, Sounkh Technologies, Lupin Lab, Grasim, Satyam Computers, HCL Technology etc. have been monitored by the Government;
- (c) if so, the details of irregularities committed by these companies; and
- (d) the action taken or proposed to be taken by the Government against these companies?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL)

- (a) Foreign Institutional Investors (FIIs) and sub-accounts registered with the Securities and Exchange Board of India (SEBI) have been allowed to purchase shares under the portfolio investment scheme as specified under the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000. Total holdings of all FIIs/sub accounts put together shall not exceed 24% which can go up to 49% of the paid up equity capital of the company provided this is approved by the shareholders through a special resolution.
- (b), (c) & (d) Investigations by SEBI in respect of the shares of DSQ Software, Shonkh Technologies, Lupin Lab, Satyam etc. are in progress. On completion of investigations, necessary action will be taken against persons/entities found guilty in terms of the SEBI Act, 1992 and Regulations made thereunder.